



Market & customer insights within the strategic decision cycle

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April 2021

Nexi at a glance

nexi



Key financials

- > €1bn Revenues
- ~ €0.6bn EBITDA
- ~ €0.5bn EBITDA - CAPEX

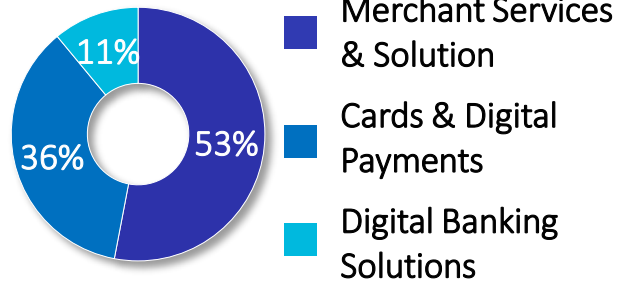


Investments

- ~€450M investments in product and innovation in last 3 years
- #1st European digital payments player for investments in innovation



Business Mix ¹



Client reach

- ~ 150 Banks
- >800K Merchants
- ~ 30M Cardholders



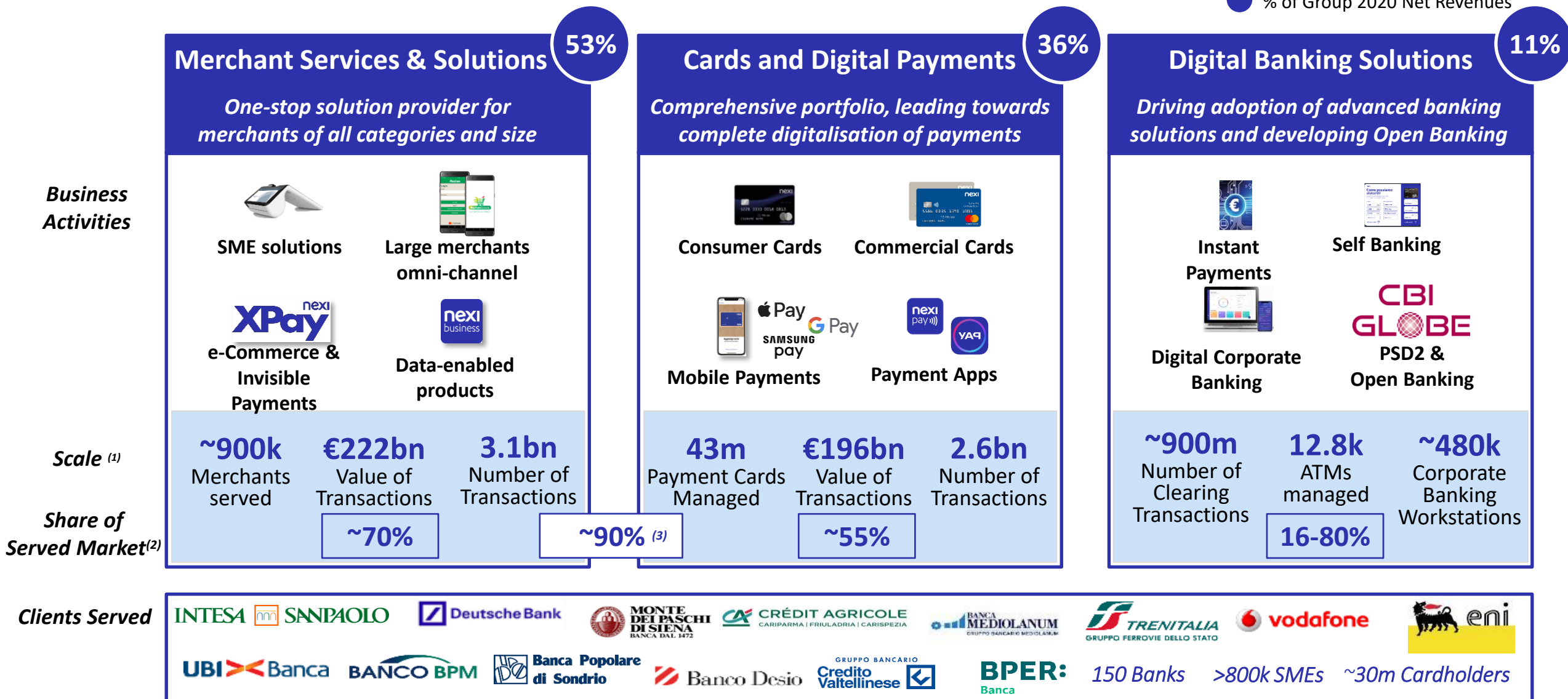
People

- ~2.000 Employees
- of which ~400 new hires in the last 3 years

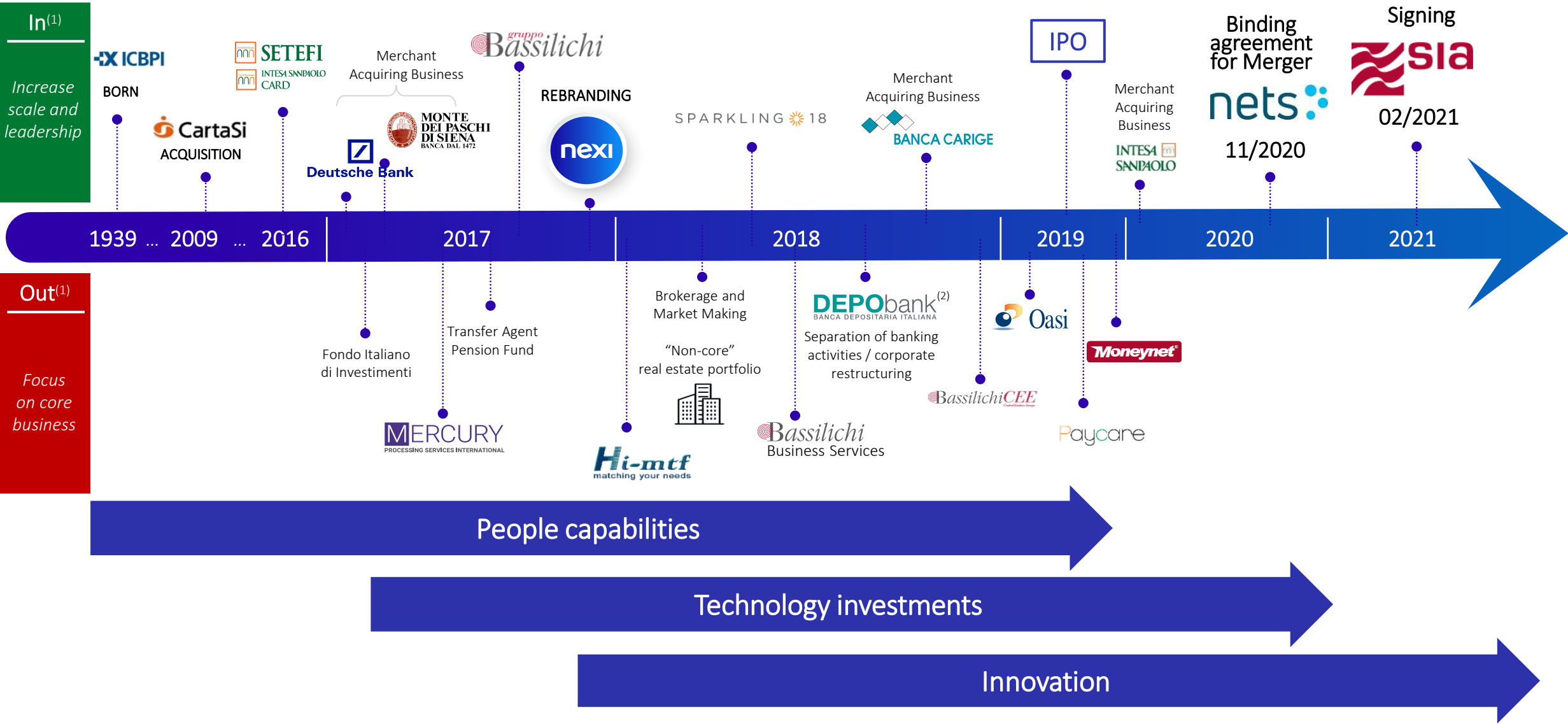
Low Digital Payments penetration at 25%
SME dominated
Low eCom penetration at 7-8%
Strong Banks role

Nexi: the leading Italian PayTech with full coverage of the payment ecosystem

● % of Group 2020 Net Revenues

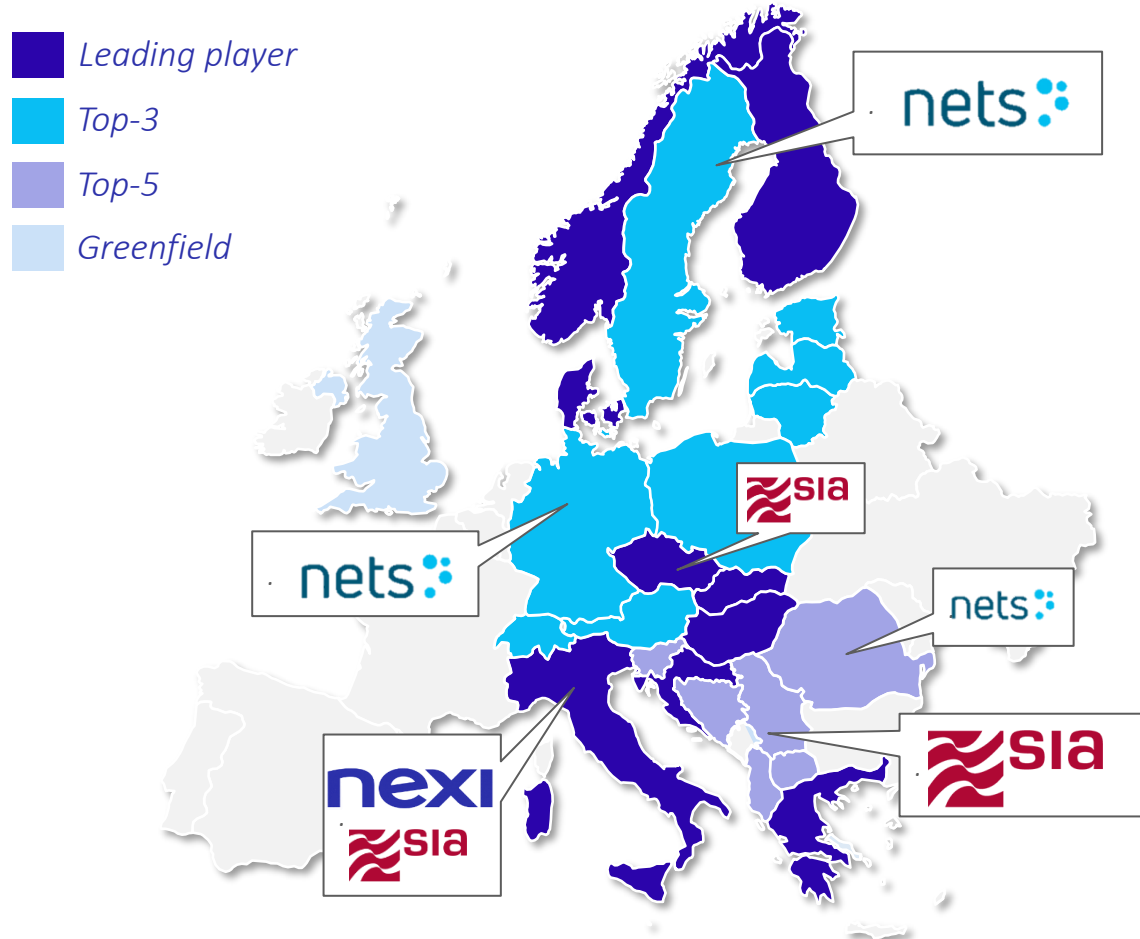


Nexi Transformation Journey



Our vision: creating the European PayTech Leader

Nexi + Nets + SIA Combined Reach⁽¹⁾



Highlights

- ✓ Largest PayTech in Europe, as a result of major European players joining forces
 - Present in >25 countries, representing 65% of European consumption
- ✓ Addressable market expanded >4x to €4.6T of consumer spend, with average digital payments penetration of 33%⁽²⁾
 - Strong growth potential in large underpenetrated markets
- ✓ Largest Pan-European operational scale driving material financial and strategic benefits
- ✓ Innovation and technology European powerhouse
- ✓ Large strong talent pool with ~9.000 employees



What differentiates high performing organizations?

Decision making

*Decision making is the **process of making** choices by identifying a **decision**, gathering information, and assessing alternative resolutions*

How decision making is different by organization performance

Top 10% Organizations



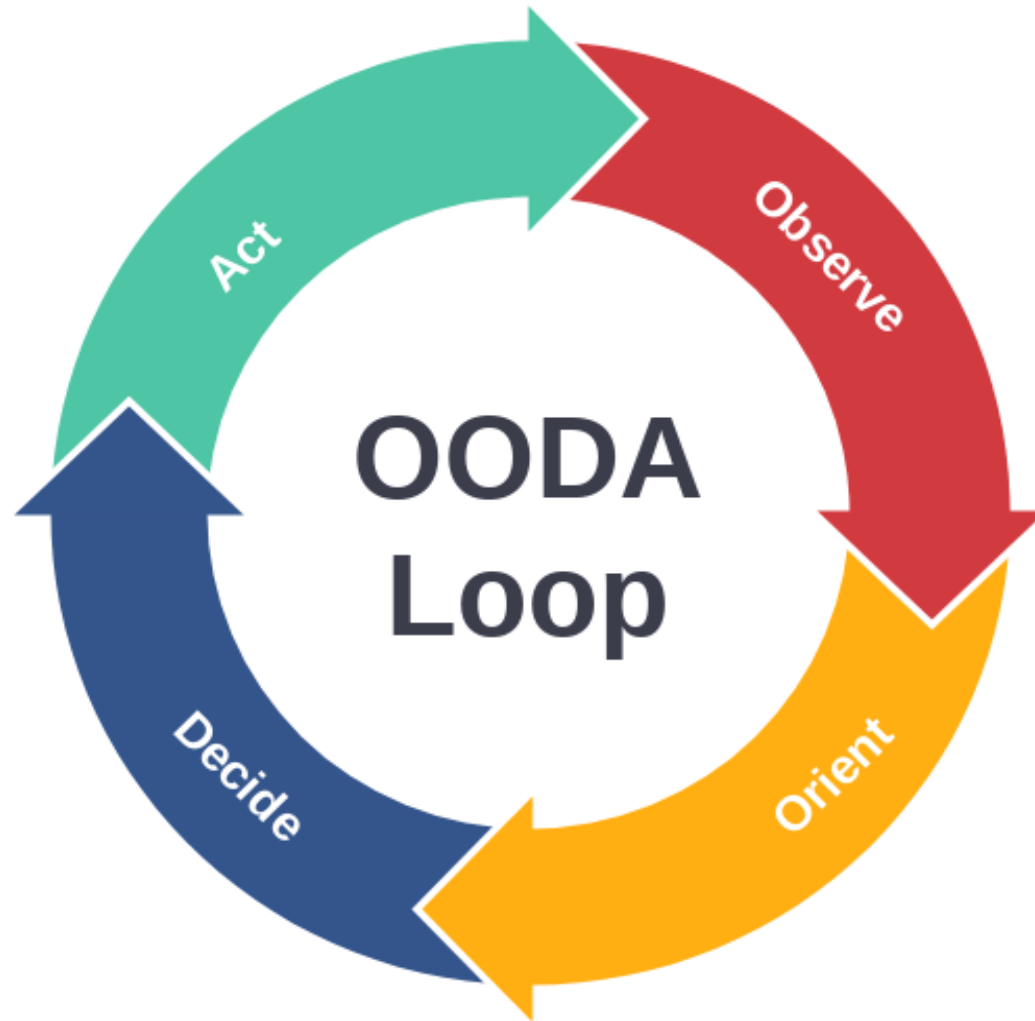
- ✓ Wide information gathering
- ✓ Multiple scenario planning
- ✓ Challenge common wisdom
- ✓ "It is what it is" mentality
- ✓ Clear chain of command but collective discussion
- ✓ Prepare to reorient and reshape

Bottom 25% Organizations



- ✓ Selective information bias
- ✓ Assuming not listening
- ✓ Staying in comfort zone
- ✓ Picture reality as desired, not as it is
- ✓ "senior person in the room" decision
- ✓ Fixating on plans not outcomes

The OODA loop



Observe

What is the current situation? What is the reason you want to change? how bad do you want to change?

Orient

Where are you currently at relative to where you want to go? How far is it to your destination?

Decide

What is the exact path you are going to take? How are you going to handle challenges and set backs?

Act

What's the approach and method you will take to implement the decisions? What is your action plan?

Informations: the life source for decision making



Observe: *Understand the landscape*

Orient: *Prepare multiple scenarios and test them*

Decide: *Select course of action*

Act: *Execute, observe outcomes*



Internal data:

- Financial & Planning data
- Sales data
- Customer operations feedback
- Quality management data
- Production data
- ...

External information sources:

- Customer direct feedbacks and reviews
- Reputation and social media monitoring
- Industry experts
- Industry reports
- **Market researches**
- ...

Which strategy questions are answered through market researches in Nexi?

Product/product concept validation

- *“how should we choose between these product concepts?”*
- *“will this new product be successful in the market?”*
- *“which product feature will be more important for customers?”*
- *“how much the customers will be able/willing to pay for these?”*

Customer segmentation

- *“how can we segment our customer base by need/expectations?”*
- *“how are our customers evolving?”*
- *“which touchpoints and channels need improvement?”*

Competitive analysis and benchmarking

- *“how are our competitors products sold and positioned?”*
- *“which price points are used by our competitors?”*

Customer satisfaction and brand status

- *“which is the level of satisfaction with our products and services?”*
- *“how strong is the relationship with Nexi?”*
- *“which touchpoints and channels need improvement?”*
- *“how recognized is our brand and our brand values/positioning?”*

Key organizational enablers

- ✓ Strategy team in charge of “data fusion” b/w different insights for decision making
- ✓ Single center of competence for market and customer insights, including internal NPS
- ✓ Product and marketing team involved in research design
- ✓ Centralized budget for improved efficiency
- ✓ Constant research provider qualification, named research directors request

What market researches can and can't do for organizations and marketers



- ✓ Provide specific answers to clear, specific questions
- ✓ Prove or disprove assumptions
- ✓ Give a preliminary idea of a product success, provided that execution is flawless
- ✓ Support a strategy design phase (i.e. industrial plan)



- ✓ Provide ideas
- ✓ Give detailed answers to each and every doubt and questions
- ✓ "Listen to the customer"
- ✓ Sugarcoat already taken decisions
- ✓ Substitute managers' accountability on results

What about research directorers? A few inputs from experience

Understand early on which type of corporate culture and marketing/strategy team you are working with



Execution-oriented internal client team

- *Fast 80/20 preliminary results*
- *Provide raw data and comprehensive reports, they'll take out key insights*
- *No support needed for management presentations*
- *Prepare to be challenged in methodology and results*
- *Accept unfavourable results*
- *Act as "sparring partner" for strategy discussion if requested*
- *Usually build long term relationships when satisfied*



Internal client team with lower capabilities/focus

- *Need to prepare overview of key insights*
- *Management presentations often managed by research provider*
- *Almost never look at raw data and full reports*
- *Lower challenge on methodology and results*
- *Unfavorable results need to be managed carefully*
- *Might be looking for lower price provider*

